

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

LONTEX CORPORATION

Plaintiff,

v.

NIKE, INC.,

Defendant.

Civil Action No. 2:18-cv-05623-MMB

**LONTEX CORPORATION'S ANSWER AND AFFIRMATIVE DEFENSES TO NIKE,
INC.'S AMENDED COUNTERCLAIMS**

Plaintiff and Counter-Defendant Lontex Corporation (“Lontex”) hereby answers Defendant and Counter-Plaintiff Nike, Inc.’s (“Nike”) Amended Counterclaims (the “Counterclaims”). Within each paragraph, if an allegation is not expressly admitted, it is denied. Lontex generally denies the allegations of wrongful conduct in the Counterclaims and denies any and all liability.

PARTIES

1. Lontex admits the allegations in Paragraph 1.
2. Lontex admits the allegations in Paragraph 2.

JURISDICTION AND VENUE

3. The allegations in Paragraph 3 of the Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Lontex denies the allegations in Paragraph 3.

4. The allegations in Paragraph 4 of the Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Lontex denies the allegations in Paragraph 4.

5. Lontex admits the allegations in Paragraph 5.
6. Lontex admits the allegations in Paragraph 6.

GENERAL ALLEGATIONS

7. Lontex admits that it owns the COOL COMPRESSION mark and U.S. Registration Nos. 3,416,053; 3,416,236; and 3,611,406. Lontex admits that it has asserted that it has continuously and consistently used the COOL COMPRESSION mark since starting its use. Lontex denies the remaining allegations in Paragraph 7.

8. Lontex denies the allegations in Paragraph 8.
9. Lontex denies the allegations in Paragraph 9.
10. Lontex admits that a press release was issued on March 4, 2015, concerning the sale of the COOL COMPRESSION mark, the COOL POWER mark, and the COOLAIR mark at <https://www.freeprnow.com/pr/lontex-selling-trademarks>. Lontex admits that this press release was made at its request. The press release speaks for itself. Lontex denies the remaining allegations in Paragraph 10.

11. Lontex denies the allegations in Paragraph 11.
12. Lontex admits that, on April 20, 2018, it submitted a “Combined Declaration of Use and/or Excusable Nonuse/Application for Renewal of Registration of a Mark under Sections 8 & 9” (the “Use Declaration”) for both U.S. Registration Nos. 3,416,053 and 3,416,236. Lontex admits that it declared that “For International Class 025, the mark is in use in commerce on or in connection with all goods/services, or to indicate membership in the collective membership organization, listed in the existing registration for this specific class: Men’s, women’s and children’s clothing, namely, socks, underwear including boxer shorts, briefs, bikini underpants, and long johns, tshirts, polo shirts, swimwear, compression shirts, compression shorts,

compression tights, sweatpants, sweatshirts, body armor carrier compression shirts for military and law enforcement personnel, sports bras, halter tops, singlets, caps, hats, headbands, bandanas, balaclavas, sneakers and shoes; or, the owner is making the listed excusable nonuse claim.” Lontex denies the remaining allegations in Paragraph 12.

13. Lontex admits that, on April 5, 2019, it submitted a Use Declaration for U.S. Registration No. 3,611,406, wherein Lontex declared that “For International Class 010, the mark is in use in commerce on or in connection with all goods/services, or to indicate membership in the collective membership organization, listed in the existing registration for this specific class: Compression supports, namely, compression sleeves for use as ankle supporters, arm supporters, elbow supporters, wrist supporters, knee supporters, compression tights and compression leggings, all for medical use and abdominal compression shorts, back support shorts, thigh groin hip support shorts, compression socks, compression body suits, compression vests, compression briefs and compression shirts, all for medical use; or, the owner is making the listed excusable nonuse claim.” Lontex admits that, in connection with its April 5, 2019, Use Declaration, it submitted the depicted specimens to the USPTO containing both the branding for COOL COMPRESSION and SWEAT IT OUT. Lontex denies the remaining allegations in Paragraph 13.

14. Lontex admits that the Use Declarations were filed on behalf of Lontex in order to obtain renewal of and maintenance of the Asserted Registrations. Lontex denies the remaining allegations in Paragraph 14.

15. The allegations in Paragraph 15 of the Counterclaims state a legal conclusion to which no response is required. To the extent a response is required, Lontex denies the allegations in Paragraph 15.

FIRST COUNTERCLAIM

(Request to Declare Mark Invalid and Cancel Trademark Registration for Abandonment)

16. Lontex repeats its responses to the allegations contained in the foregoing paragraphs as though fully set forth herein.

17. Lontex admits that it alleged that, “[t]o capture additional market share, broaden its appeal, and provide a unique identifier to be associated with its special compression technology, in 2006, Lontex applied for and obtained two federal trademark registrations for COOL COMPRESSION for a variety of clothing in Class 25, including one word mark (U.S. Reg. No. 3,416,053) and one design mark (U.S. Reg. No. 3,416,236).” FAC, ¶ 11. Lontex admits that it alleged that, “in 2008, to protect its valuable trademark rights, Lontex also applied for and obtained U.S. Trademark Registration No. 3,611,406 for the COOL COMPRESSION word mark in Class 010.” *Id.* at ¶ 13. Lontex admits that it alleged that it “has continuously and consistently used the COOL COMPRESSION Mark since starting its use, developing substantial goodwill as the source of COOL COMPRESSION Goods across the entire United States.” *Id.* at 15.

18. Lontex denies the allegations in Paragraph 18.

19. Lontex denies the allegations in Paragraph 19.

20. Lontex admits that a press release was issued on March 4, 2015, concerning the sale of the COOL COMPRESSION mark, the COOL POWER mark, and the COOLAIR mark at <https://www.freeprnow.com/pr/lontex-selling-trademarks>. Lontex admits that this press release was made at its request. The press release speaks for itself. Lontex denies the remaining allegations in Paragraph 20.

21. Lontex denies the allegations in Paragraph 21.

22. Lontex denies the allegations in Paragraph 22.

23. Lontex denies the allegations in Paragraph 23.

SECOND COUNTERCLAIM

(Request to Cancel Trademark Registrations for Fraud on the USPTO)

24. Lontex repeats its responses to the allegations contained in the foregoing paragraphs as though fully set forth herein.

25. Lontex admits that, on April 20, 2018, it submitted a Use Declaration for both U.S. Registration Nos. 3,416,053 and 3,416,236, wherein Lontex declared that “For International Class 025, the mark is in use in commerce on or in connection with all goods/services, or to indicate membership in the collective membership organization, listed in the existing registration for this specific class: Men’s, women’s and children’s clothing, namely, socks, underwear including boxer shorts, briefs, bikini underpants, and long johns, tshirts, polo shirts, swimwear, compression shirts, compression shorts, compression tights, sweatpants, sweatshirts, body armor carrier compression shirts for military and law enforcement personnel, sports bras, halter tops, singlets, caps, hats, headbands, bandanas, balaclavas, sneakers and shoes; or, the owner is making the listed excusable nonuse claim.” Lontex denies the remaining allegations in Paragraph 25.

26. Lontex admits that, on April 5, 2019, it submitted a Use Declaration for U.S. Registration No. 3,611,406, wherein Lontex declared that “For International Class 010, the mark is in use in commerce on or in connection with all goods/services, or to indicate membership in the collective membership organization, listed in the existing registration for this specific class: Compression supports, namely, compression sleeves for use as ankle supporters, arm supporters, elbow supporters, wrist supporters, knee supporters, compression tights and compression leggings, all for medical use and abdominal compression shorts, back support shorts, thigh groin

hip support shorts, compression socks, compression body suits, compression vests, compression briefs and compression shirts, all for medical use; or, the owner is making the listed excusable nonuse claim.” Lontex admits that, in connection with its April 5, 2019, Use Declaration, it submitted specimens to the USPTO containing both the branding for COOL COMPRESSION and SWEAT IT OUT. Lontex denies the remaining allegations in Paragraph 26.

27. Lontex denies the allegations in Paragraph 27.
28. Lontex denies the allegations in Paragraph 28.
29. Lontex denies the allegations in Paragraph 29.
30. Lontex denies the allegations in Paragraph 30.

PRAYER FOR RELIEF

Lontex denies that Nike is entitled to any of the relief requested herein.

JURY DEMAND

Lontex acknowledges that Nike demands a trial by jury.

AFFIRMATIVE DEFENSES

By and for its affirmative defenses, Lontex states as follows:

FIRST AFFIRMATIVE DEFENSE

The Counterclaims fail to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Nike’s use of the COOL COMPRESSION mark for its apparel line is an infringement of Lontex’s trademark rights in the COOL COMPRESSION mark. Thus, Nike is not entitled to a declaration of non-infringement.

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THIRD AFFIRMATIVE DEFENSE

Nike's claims are barred, in whole or in part, by the doctrine of estoppel by laches. Lontex has relied to its detriment on Nike's knowledge of Lontex's trademark rights and delay in raising any contention or action concerning its claims of abandonment or fraud on the USPTO.

FOURTH AFFIRMATIVE DEFENSE

Nike's claims are barred, in whole or in part, by the doctrine of estoppel by acquiescence. Lontex has relied to its detriment on Nike's knowledge of Lontex's trademark rights, acquiescence, and delay.

FIFTH AFFIRMATIVE DEFENSE

Nike's claims are barred, in whole or in part, by the doctrine of unclean hands.

SIXTH AFFIRMATIVE DEFENSE

Nike's claims are barred, in whole or in part, by 15 U.S.C. § 1115 because the three registrations for the COOL COMPRESSION mark are all incontestable.

SEVENTH AFFIRMATIVE DEFENSE

Section 1119 provides that "cancellation of registrations, in whole or in part" is the scope of remedy, and Nike's requested relief for cancellation should be limited to partial cancellation of specific goods, if at all.

PRAYER FOR RELIEF

WHEREFORE, for the foregoing reasons, Lontex respectfully requests that this Court dismiss Nike's Counterclaims in their entirety with prejudice, that Lontex be awarded its attorneys' fees and costs, and that Lontex be awarded such further relief as this Court deems just and proper.

Dated: August 13, 2019

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By: /s/ Ben L. Wagner

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CERTIFICATE OF SERVICE

I hereby certify that on August 13, 2019, a true and correct copy of the foregoing was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent via e-mail to all parties by operation of the court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF System.

/s/ Ben L. Wagner

Ben L. Wagner